



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: September 8, 2011

Agenda Item No. 7: Review of the Order of Administrative Penalties Assessed to Twelve Surface Mining Operations Pursuant to Public Resources Code Section 2774.2 and California Code of Regulations, Section 3900, et seq.

INTRODUCTION: The State Mining and Geology Board (SMGB) has received petitions for appeals of the administrative penalties issued by the Department of Conservation Office of Mine Reclamation (OMR). Twelve Administrative Penalty Appeals will be considered pursuant to PRC Section 2774.1(c) for failure to submit a report to the Department of Conservation as required by PRC Section 2207.

- Public Hearing Case No. AP #91-03-0022-09-AR:
Jackson Valley Energy Mine (CA Mine ID #91-03-0022), Amador County, Oneto Group (Operator), Eddie Oneto (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-04-0029-09-AR: Pentz Mine (CA Mine ID #91-04-0029), Butte County, Pentz Aggregates (Operator) Kyle Smart (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-12-0037-09-AR:
Ammon Quarry (CA Mine ID #91-12-0037), Humboldt County, Ammon Quarry (Operator), Klamath Trinity Aggregates (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-14-0018-09-AR:
Ash Meadows Plant (CA Mine ID #91-14-0018), Inyo County, Ash Meadows, LLC, (Operator), Dennis Scott (Agent), assessed pursuant to PRC Section 2774.1(c)



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for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.

- Public Hearing Case No. AP #91-15-0095-09-AR: Sand Canyon Pit (CA Mine ID #91-15-0095), Kern County, Chelsea Investment Company (Operator), Claire Smeed (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-18-0047-09-AR: Pozzolan Hill Pit (CA Mine ID #91-18-0047), Lassen County, North American Technical Trading Company (Operator), Larry Campbell (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-18-0049-09-AR: Long Valley Mine (CA Mine ID #91-18-0049), Lassen County, North American Technical Trading Company (Operator), Larry Campbell (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-25-0016-09-AR: Duval Borrow Mine (CA Mine ID #91-25-0016), Modoc County, Randall Duval (Operator), Randall Duval (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-32-0029-09-AR: Heinz Pit (CA Mine ID #91-32-0029), Plumas County, Riverside Rock (Operator), Cindy Robinson (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.



- Public Hearing Case No. AP #91-32-0034-09-AR: Mill Bar Pit (CA Mine ID #91-32-0034), Plumas County, Riverside Rock (Operator), Cindy Robinson (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-58-0015-09-AR: Blue Point Clark Mine (CA Mine ID #91-58-0015), Yuba County, Blue Point Partners (Operator), Brian Bisnett (Agent), assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.
- Public Hearing Case No. AP #91-58-0021-09-AR: Blue Point Mine (CA Mine ID #91-58-0021), Yuba County, assessed pursuant to PRC Section 2774.1(c) for failure to submit a 2009 Mining Operation Annual Report to the Department of Conservation as required by PRC Section 2207.

ADMINISTRATIVE PROCEDURE:

[Note: Pursuant to PRC Section 207(g) regarding the prohibition of public disclosure of proprietary information and the California appellate court decision in General American Transportation Corp v. State Board of Equalization, 193 Cal.App.3d 1175 (1987), the SMGB may conduct a closed hearing for the purposes of reviewing the following administrative penalties.]

Administrative Record: Pursuant to CCR Section 3903, the record before the SMGB shall consist of the:

- The record before the Director;
- Evidence which, in the judgment of the SMGB, considers to be applicable; and
- Evidence presented during the hearing on the petition.

Open Meetings Act: Pursuant to the Bagley-Keene Act, the reviews of the noticed Orders Imposing Administrative Penalties shall be conducted in open session. However, the Petitioner/Appellant may request the review be conducted in a closed session, albeit, it is the Petitioner/Appellant's burden of proof to demonstrate the necessity of a closed hearing. One



ground by which a review may be conducted during a closed session is if it is substantiated that proprietary information will be disclosed. PRC Section 2207(g) prohibits the public disclosure of proprietary information. If the SMGB decides to conduct a closed session for the purpose of reviewing the Order, those present that are NOT immediately involved with the case will be requested to leave the room.

Review Sequence: The review sequence for each case will be according to the procedures stated in the SMGB's regulations, Article 12 of CCR Title 14, Chapter 8, Subdivision 1. Only relevant information regarding the administrative penalties will be received.

Swear In Procedures: Those wishing to present testimony before the SMGB today in these administrative hearings will stand and be sworn in.

Order of the Hearings: Pursuant to the SMGB's regulations, CCR Section 3909, the order of the hearings will be as follows:

- I. Identification of the Record by OMR**
- II. Statements on Behalf of the Petitioner**
- III. Statements on Behalf of the Director or SMGB**
- IV. Statements on Behalf of the Public**
- V. Rebuttal on Behalf of the Petitioner**
- VI. Rebuttal on Behalf of the Director or SMGB**
- VII. Motion to Close the Public Hearing**

SMGB Chairman Discretion: Pursuant to CCR Section 3909, notwithstanding the above, the Chairman or the Chairman's designee for the purposes of conducting these procedures may, in the exercise of discretion, determine the order of these proceedings, and set time limits.

SMGB Determination Procedures: Pursuant to CCR Section 3910, following the public hearing, the SMGB shall determine:

1. Whether the alleged violations cited in the Director's order are supported by substantial evidence in light of the whole record before it; and



2. The action the SMGB should take to affirm, modify, or set aside, in whole or in part, the administrative penalty issued by the Director.

The SMGB shall issue its own order upholding its determination. The SMGB can, but is not limited to modifying the administrative penalty from its original construction by the Director, whole or in part, as the SMGB deems appropriate, which includes increasing or decreasing the penalty, establishing compliance deadlines, and structuring a method for payment of the penalty.

Notification of Determination: Notification of the SMGB's determination will be made via certified mail or personal service to the petitioner, the lead agency, and the Director, within 15 days following the regular business meeting of the SMGB at which the decision is made.

SUGGESTED MOTION LANGUAGE:

To uphold the Department's determination - Case No. AP #91-03-0022-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Jackson Valley Energy Mine (CA Mine ID #91-03-0022), Amador County, Oneto Group (Operator), Eddie Oneto (Agent), Case No. AP #91-03-0022-09-AR.

To uphold the Department's determination - Case No. AP #91-04-0029-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Pentz Mine (CA Mine ID #91-04-0029), Butte County, Pentz Aggregates (Operator) Kyle Smart (Agent), Case No. AP #91-04-0029-09-AR.

To uphold the Department's determination - Case No. AP #91-12-0037-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Ammon Quarry (CA Mine ID #91-12-0037), Humboldt County, Ammon Quarry (Operator), Klamath Trinity Aggregates (Agent), Case No. AP #91-12-0037-09-AR.



To uphold the Department's determination - Case No. AP #91-14-0018-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Ash Meadows Plant (CA Mine ID #91-14-0018), Inyo County, Ash Meadows, LLC, (Operator), Dennis Scott (Agent), Case No. AP #91-14-0018-09-AR.

To uphold the Department's determination - Case No. AP #91-15-0095-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Sand Canyon Pit (CA Mine ID #91-15-0095), Kern County, Chelsea Investment Company (Operator), Claire Smeed (Agent), Case No. AP #91-15-0095-09-AR.

To uphold the Department's determination - Case No. AP #91-18-0047-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Pozzolan Hill Pit (CA Mine ID #91-18-0047), Lassen County, North American Technical Trading Company (Operator), Larry Campbell (Agent), , Case No. AP #91-18-0047-09-AR.

To uphold the Department's determination - Case No. AP #91-18-0049-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Long Valley Mine (CA Mine ID #91-18-0049), Lassen County, North American Technical Trading Company (Operator), Larry Campbell (Agent), Case No. AP #91-18-0049-09-AR.



To uphold the Department's determination - Case No. AP #91-25-0016-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Duval Borrow Mine (CA Mine ID #91-25-0016), Modoc County, Randall Duval (Operator), Randall Duval (Agent), Case No. AP #91-25-0016-09-AR.

To uphold the Department's determination - Case No. AP #91-32-0029-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Heinz Pit (CA Mine ID #91-32-0029), Plumas County, Riverside Rock (Operator), Cindy Robinson (Agent), Case No. AP #91-32-0029-09-AR.

To uphold the Department's determination - Case No. AP #91-32-0034-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Mill Bar Pit (CA Mine ID #91-32-0034), Plumas County, Riverside Rock (Operator), Cindy Robinson (Agent), Case No. AP #91-32-0034-09-AR.

To uphold the Department's determination - Case No. AP #91-58-0015-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Blue Point Clark Mine (CA Mine ID #91-58-0015), Yuba County, Blue Point Partners (Operator), Brian Bisnett (Agent), Case No. AP #91-58-0015-09-AR.



To uphold the Department's determination - Case No. AP #91-58-0021-09-AR:

Mr. Chairman, in light of the information before the Board today, I move that the Board uphold, modify or set aside the Director's order, in the matter of Blue Point Mine (CA Mine ID #91-58-0021), Yuba County, Blue Point Partners (Operator), Brian Bisnett (Agent), Case No. AP #91-58-0021-09-AR.

Respectfully submitted:

Stephen M. Testa
Executive Officer

